

**ROUTING AND TRANSMITTAL SLIP**

Date

12 Aug 85

TO	Initials	Date
1. [Redacted]	EW	13 AUG 1985
2. ADDA	[Signature]	14 AUG 1985
3. DDA	[Signature]	14 AUG 1985
4.		
5. DDA REGISTRY		

Action	File	Note and Return
Approval	For Clearance	Per Conversation
As Requested	For Correction	Prepare Reply
Circulate	For Your Information	See Me
Comment	Investigate	Signature
Coordination	Justify	

**REMARKS**

Per our telecon last week

20-1.2

DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

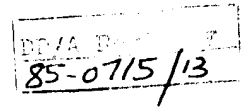
FROM: (Name, org. symbol, Agency/Post)

Room No. Bldg.

me/STD

616 GPC

OPTIONAL FORM 41 (Rev. 7-76)  
Prescribed by GSA  
FPMR (41 CFR) 101-11.206



12 August 1985

STAT

MEMORANDUM FOR:

Chairman, CIA Day Care Center Committee

STAT

FROM:

OTE/ISTD

SUBJECT: Insurance for Child Care

20-1

1. Background: Insurance companies are pulling out of the Child Care business because they are losing money. With the recent press on child abuse cases, one needs only to watch the news to see the impact. Insurance normally covered medical, liability, auto, personal property, defense and settlement, and bodily and personal injuries for \$200 a year. At this time, \$700 is being quoted as a minimum premium for less coverage. Child care providers, when contacting their personal homeowner's insurance company, have had their homeowner's policy cancelled because of their inquiry on Child Care coverage.

2. I have a 21 month-old daughter who has been in an home care environment for the past year and a half. I recently received a phone call from my sitter to say that her insurance was being terminated on 31 August 1985, which meant she could no longer babysit in her home. This has prompted me to research what insurance is available to child care providers. I have gathered enough information to believe that this issue needs to be addressed at your committee for several reasons:

a. Insurance is currently not available for child care businesses. Insurance companies are terminating, some effective immediately, child care policies regardless of how long the policy was to remain in effect or if the caretaker has had any claims against the business. (My current sitter has had no claims against her and her policy was effective and paid for up to December 1985). The immediate effect having been several child care providers are going out of business, possibly day care centers as well. My understanding is that this is a national crisis, not a local one.

SUBJECT: Insurance for Child Care

b. How the Agency's Day Care Center is staffed will be a major factor in whether or not it will need insurance. If the Center is Government run, there is no need to insure it. If it becomes a Coop facility, the insurance problem arises. Hopefully, it will be resolved at that time, but staffing is one of the most difficult decisions to resolve and may already be in process.

c. Long-term effects are unknown, but the Agency's Center will take only a percentage of children who need day care. Some Agency employees will need to use other resources to provide home/day care. Insurance for foster and elderly care may also be restricted.

3. Considerable risk is taken when a child stays in an uninsured home, both to the provider and to the parent. To protect themselves, some Child Care providers have quit. Unless this is resolved soon, it will impact on many parents, not just in this Agency, but nationwide. Both morale and production could suffer.

4. I felt it was necessary to bring this issue to the attention of the Agency's Day Care Center Committee. A crisis situation is evolving and there appears no immediate solution at either the community or the state level. As a concerned parent, I will stay involved with members of the Northern Virginia Family Day Care Providers Association. If you need any further information, I may be reached on [redacted] (black) or [redacted] (green).

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cc:

cc: EXO/DDA